



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Performance Audit*  
*Suitability of Child Development and Care*  
*Program Providers*  
*Department of Human Services*

Report Number:  
431-0299-05

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*The Department of Human Services (DHS) is responsible for enrolling, licensing, and registering child day-care providers and for determining their suitability to provide child day-care services. DHS enrolls child day-care aides and relative care providers solely to provide child day-care services to Child Development and Care (CDC) Program children. DHS issues licenses and registrations for child day-care centers, family day-care homes, and group day-care homes. Licensed and registered providers are eligible to provide care for both CDC Program children and children of the general public.*

During the period October 5, 2003 through March 4, 2006, DHS authorized 116,585 child day-care providers to care for 273,364 CDC Program children. Through various criminal history and background information checks, we identified approximately 1,900 unsuitable child day-care providers that DHS had authorized to provide childcare services. As a result, DHS potentially placed approximately 4,600 CDC Program children at risk. We determined that each of these individuals were unsuitable childcare providers because they were one or more of the following: a substantiated perpetrator of child abuse and/or neglect; convicted of a crime that DHS considered terminable; a publicly registered sex offender; convicted of a serious and dangerous crime that DHS did not include in its terminable crimes and codes list; incarcerated in State prison at the time DHS authorized them to provide childcare; or under Department of Corrections (DOC) parole supervision restrictions that limited contact with children.

Throughout our audit, we notified DHS of our findings so that DHS could take appropriate action to prevent the unsuitable providers we identified from providing child day-care services. Upon our notification, DHS closed the unsuitable child day-care providers we identified who were actively providing childcare services and took the appropriate action to prevent their future reenrollment as child day-care providers. In addition, based on our audit findings, DHS revised its CDC criminal history checks policy in April 2007 to include preenrollment criminal history checks for day-care aides, relative care providers, and adult household members of relative care providers and to expand its list of terminable crime codes.

***Audit Objective:***

To assess the effectiveness of DHS efforts to detect unsuitable individuals and prevent them from providing child day-care services.

***Audit Conclusion:***

We concluded that DHS efforts were not effective in detecting unsuitable individuals and preventing them from providing child day-care services. We noted nine material conditions (Findings 1 through 9) and one reportable condition (Finding 10).

***Material Conditions:***

DHS's Central Registry records check processes were not effective in identifying individuals with substantiated histories as perpetrators of child abuse and/or neglect and preventing them from providing child day-care services (Finding 1).

DHS had not implemented effective controls to detect day-care aide and relative care provider applicants with unsuitable criminal histories and prevent their enrollment as child day-care providers (Finding 2).

DHS did not include a review of the Public Sex Offender Registry (PSOR) in its criminal history check procedures for child day-care providers to help detect publicly registered sex offenders and prevent them from providing child day-care services (Finding 3).

DHS did not consistently perform monthly Internet Criminal History Access Tool (ICHAT) records checks to identify active child day-care providers with unsuitable criminal convictions. Also, DHS had not implemented controls to help ensure that its monthly ICHAT records check process worked effectively to detect active child day-care providers with DHS-defined terminable convictions recorded in their ICHAT record. Further, DHS did not include inactive child day-care providers in its monthly ICHAT records check process. (Finding 4)

DHS had not implemented effective controls to help ensure that its terminable crimes and codes list was complete and included the crime description and conviction coding information necessary to identify unsuitable child day-care providers that could potentially pose harm to a child and prevent them from providing child day-care services (Finding 5).

DHS's controls were not effective in ensuring that updated terminable crimes and codes lists were distributed to DHS local offices in a timely manner and contained complete information (Finding 6).

DHS had not implemented controls to help ensure that it obtained criminal history background information for adult household members who relative care providers reported were living in their homes or updated criminal history background information for adult household members who family and group day-care home providers reported were living in their homes. Also, DHS had not implemented controls to help ensure that it periodically evaluated the Central Registry status of adult household members who

relative care providers reported were living in their homes. Further, DHS could utilize internal and publicly available information to help identify unreported adult household members of relative care providers. (Finding 7)

DHS had not implemented effective controls to help ensure that it periodically obtained updated criminal histories of child day-care center licensees, licensee designees, and program directors during the two-year period between licensure and renewal (Finding 8).

DHS did not conduct checks of DOC's Offender Tracking Information System (OTIS) records prior to enrolling day-care aides and relative care providers to help detect unsuitable individuals and prevent them from providing child day-care services (Finding 9).

***Reportable Condition:***

DHS should strengthen controls over its child day-care provider records to help ensure that it obtains and maintains accurate and complete date-of-birth information for all child day-care providers (Finding 10).

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***Agency Responses:***

Our audit report contains 10 findings and 14 corresponding recommendations. DHS's preliminary response indicates that it agrees with all of the recommendations.

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